



SUSTAINABLE GROWTH



Great Teams Start With Good Chemistry

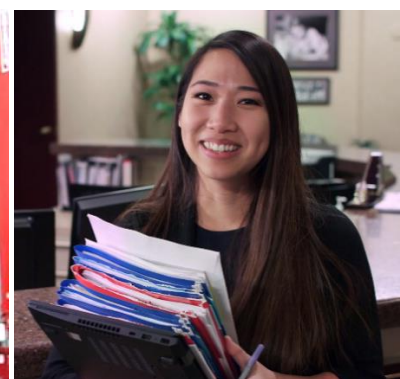
Hydrite Chemical Co. 2020 Sustainability Report



Sustainable Growth

Great Teams Start With Good Chemistry

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A Letter from Our President

Established by my grandfather, Richard Honkamp, in 1929, Hydrite Chemical Co. began as a small chemical distributor in Milwaukee, Wisconsin. Over 90 years later, Hydrite has grown to become a renowned chemical distributor and manufacturer in the United States, and I am proud to say that we have remained a family held company. My grandfather's unwavering focus on the needs of our customers and employees created a foundation based on family values that we continue to build upon today. This culture, built through generations, is always present as we operate ethically, with integrity, and in a way that provides a safe workplace for every employee and reduces the impact of our footprint to the environment.

There have been significant changes that have challenged the chemical industry throughout the last nine decades. Our ability to persevere with such success would not have been possible without the hard work and "can-do" attitude of our employees, and the strong partnerships we cultivated with customers and suppliers.

From chemical rationing during World War II and the oil crisis of the 1970s to the recent natural disasters and global pandemic, history has shown that our resilience, creativity, and collaboration can help us overcome adversity.

2020 was an unprecedented time for the entire world as we all faced the COVID-19 pandemic. Because of our strong supplier relationships and dedicated employees, we were able to continue operations throughout the pandemic and be a reliable supplier to the nation's critical food and agriculture infrastructure network. Along with supporting our customers with our cleaning and sanitizing products, we could not be prouder than to be in position to donate hand sanitizer to our armed forces, schools, and other local and non-profit agencies in response to the pandemic. The trust and loyalty we receive from our customers and communities is immeasurable.

We are very excited to be publishing our first sustainability report that provides an understanding of who Hydrite is as a company and the progress we have already made. We know there is a lot more to do, but our dedication to "Providing Creative Solutions", coupled with our drive for continuous improvement, will allow us to identify initiatives and opportunities that support long-term value and ensure a sustainable future for our organization, employees, partners, and communities in which we operate.

We are very proud of what we have accomplished and look forward to cultivating our responsible partnerships as we surpass our 100-year milestone.



Kevin Honkamp
President, Hydrite Chemical Co.

Mission and Core Values

Hydrite Chemical Co. was established in Milwaukee, Wisconsin in 1929. Today, we are proud to celebrate our 92nd year of continued growth and success as one of North America's largest and most respected providers of chemicals and related services. We offer expertise in distribution, food sanitation and ingredients, manufacturing, organic processing, liquid sulfur products, water treatment, foam control, and compliance management.

Our strength lies with the technical capabilities of our people and the experience they bring to our organization and customers. With each of our over 900 employees fully supporting our mission, we can provide the technical expertise, innovative solutions, and personal attention our customers need and deserve. Through creativity, research, and engineering, our highly trained staff provides world-class products and services specialized for our customers' unique operations. We take time to listen and understand our customer's processes and work with them at every step to offer solutions that improve quality and operational efficiency.


MISSION: HYDRITE CHEMICAL CO.'S MISSION IS TO EMPOWER EMPLOYEES TO BE ACCOUNTABLE AND RESPONSIBLE FOR THEIR EFFORTS AND ATTITUDES TO GUARANTEE 100% CUSTOMER SATISFACTION.

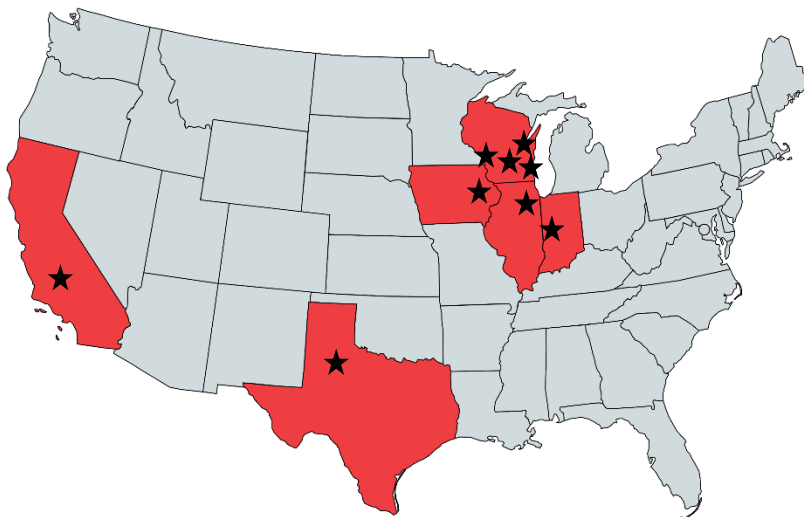
CORE VALUES: OUR CORE VALUES AND EXPECTATIONS FOCUS AROUND INTEGRITY, INNOVATION, QUALITY, PEOPLE, AND RESPONSIBLE GROWTH. THESE KEY ATTRIBUTES ARE WHAT WE HOLD FUNDAMENTAL TO OUR CULTURE AND ARE CRITICAL FOR OUR SUCCESS.

Hydrite Corporate Office
Brookfield, WI

**Plants/Warehouses/
Laboratory**

- Milwaukee, WI 
- Cottage Grove, WI
- La Crosse, WI
- Oshkosh, WI
- Terre Haute, IN
- University Park, IL
- Waterloo, IA
- Lubbock, TX
- Visalia, CA

 **Technical Center**
located in
Milwaukee, WI



1929: Hydrite Chemical Co. was established in Milwaukee, WI



1938: First tank car of sulfuric acid received



1941-45: Raw materials were allocated to WWII



1958: Reached \$1MM in annual sales



1963: Phosphoric acid plant is built and operational in Milwaukee, WI



1970s: Expansion into Cottage Grove, WI, La Crosse, WI and Waterloo, IA



1980s: Developed our food processing product line and support



1990s: Started our first sulfur burner in Waterloo, IA



2000s: Acquired and started building foam control business



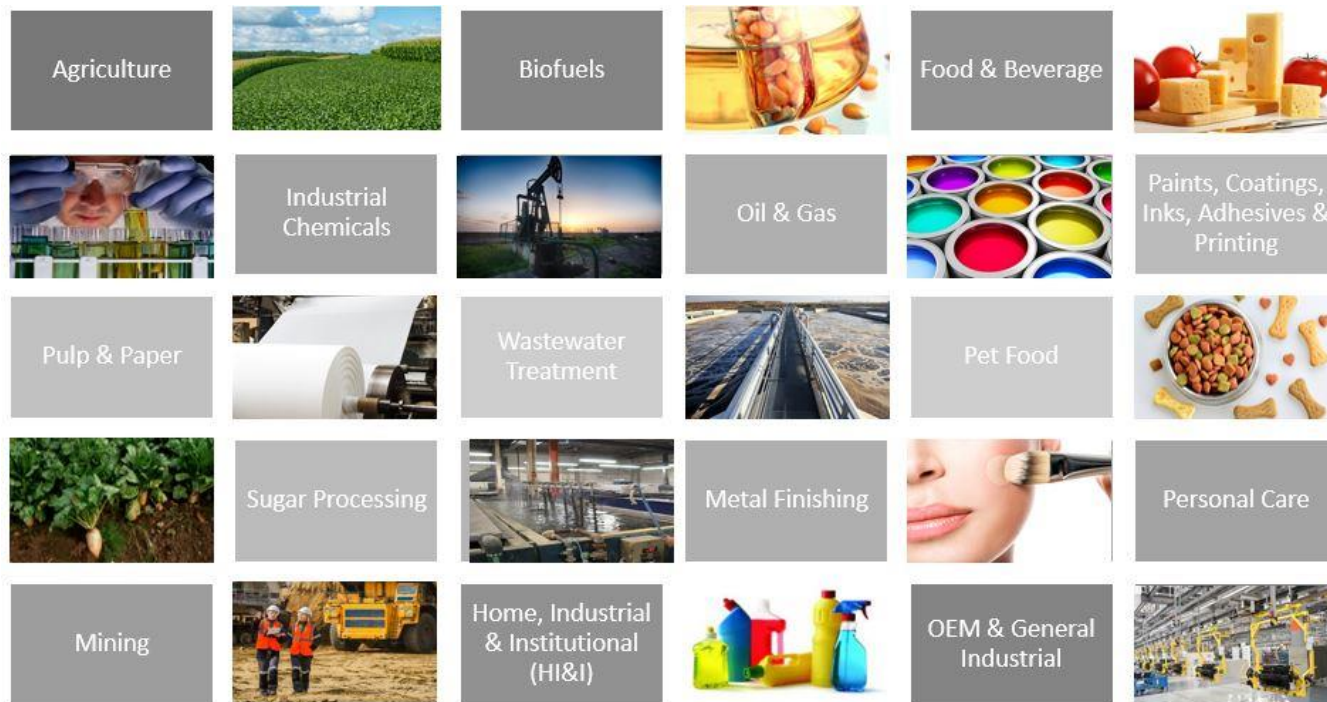
2010s: Expansion in Visalia, CA and Lubbock, TX, ATS production starts in Waterloo, IA



2020s: Broke ground for new corporate offices in Brookfield

Industry Solutions

Hydrite offers expertise in chemical distribution, food and dairy sanitation, food ingredients, organic processing, liquid sulfur salts, water treatment, foam control, and compliance management. In addition to industrial chemical distribution, our specialty products are integral to many of the products that are used and consumed in our daily lives. We manufacture and supply ingredients that make food and beverages more flavorful, the fluoride to treat water and prevent tooth decay, the chemicals to improve water quality, and the cleaners and sanitizers used in the food industry to ensure the safety of our food supply.



COVID-19 Solutions

Hydrite continues to closely monitor developments with respect to the Coronavirus (COVID-19). With this pandemic continuously evolving, our top priority is to ensure the health and safety of our employees, customers, communities, and other key stakeholders. Our policies and procedures have been established and are regularly reviewed to ensure they are aligned with the most current CDC guidelines.

We offer a full range of products for cleaning, sanitization, and disinfection applications. Many of our disinfectants have been shown to be effective against a broad spectrum of microorganisms, with some meeting EPA's disinfectant criteria for use against SARS-CoV-2 (COVID-19). We have a team of knowledgeable, experienced, and dedicated professionals committed to helping our customers select the right products and services while offering guidance and training on proper cleaning practices and procedures.

“As an organization with a mission statement that focuses on people and integrity, it’s a priority for us to contribute efforts towards fighting this global pandemic. Our thoughts are with those suffering from COVID-19 and with all the essential workers who are helping in this battle. As a company, we have taken this step to donate our Hydri-San 3C hand sanitizer as a response to efforts in preventing the further spread of COVID-19.”

Kevin Honkamp, President

Toll Manufacturing



Foam Control



Membrane Technology



Peracetic Acid Solutions



**PROVIDING
CREATIVE
SOLUTIONS**

Plant Sanitation



Waste and Recycle



Wastewater Treatment



Sulfur Chemistries



Peracetic Acid

Peracetic Acid (PAA) is a highly effective disinfectant and antimicrobial agent used for a variety of applications across the agriculture, food processing, and pulp and paper industries. It is effective against a broad range of microorganisms. PAA harnesses the power of oxygen for Clean-In-Place (CIP), general cleaning and sanitizing, and many water treatment applications. With a favorable environmental profile, the components and subsequent byproducts of PAA are considered non-toxic and readily biodegradable by the FDA.

Plant Sanitation

The plant sanitation process is essential to the safe production of foods and beverages by eliminating microorganism, residuals, and other contaminants from the manufacturing environment. As such, it plays a crucial role in food safety. We provide creative solutions for our customers designed to address food safety concerns while striving to improve operational and equipment efficiency. Some of the world's largest manufacturers partner with us for their plant sanitation needs.

About Us

#35 on Deloitte's 2020 Wisconsin 75
- 15th appearance -

75 Wisconsin 75
Celebrating our private sector
Deloitte.



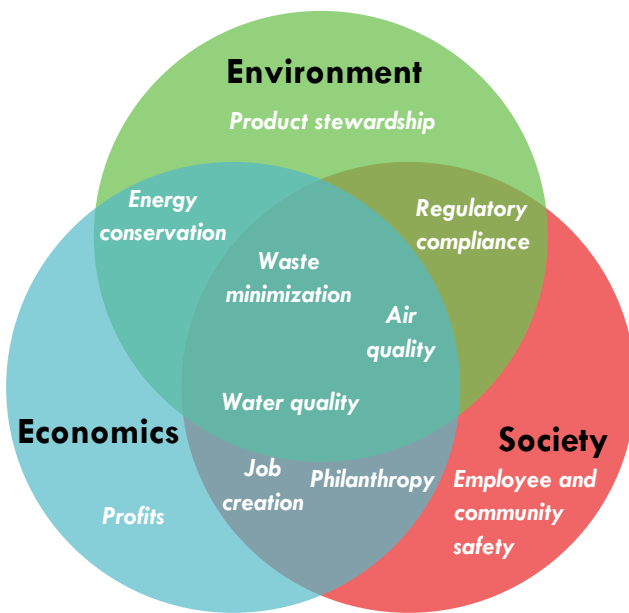
One of the
founding members
of Omni-Chem¹³⁶



Key Organizations
National Association of Chemical Distributors
Synthetic Organic Chemical Manufacturers Association
Growth Energy – America's Ethanol Supporters



SUSTAINABLE GROWTH AT HYDRITE



As a customer-driven company, Hydrite collaborates with our partners to provide creative products and services that are designed to protect the safety and well-being of employees and local communities and minimize the impact to the environment while sustainably improving financial performance. We strive to be a responsible corporate citizen and product steward and have programs and policies that promote continuous improvement in all areas of sustainability. This objective is not new to Hydrite as our company's long-standing mission calls for conservation, protection, and sustainability via product stewardship. In addition, our environmental sustainability policy directs the organization to use innovative practices to promote environmental protection, preservation, and stewardship.

We regularly engage our key stakeholders to understand their perspectives and needs when it comes to environmental and social responsibility. We strive to be a company that people are proud to be part of and are driven to make a positive contribution.

Our sustainability program integrates environmental, social, and economic impacts into our core business model. We are continually identifying initiatives and objectives to improve performance and show our on-going commitment to our sustainability journey. This report is a collaboration of efforts of our employees, customers and suppliers and highlights our environmental performance in water, energy, waste management and social responsibility.

“Hydrite Chemical Co. is committed to environmentally sustainable operations, consistent with both the corporate Mission and Quality Policy statements. Hydrite recognizes the environmental risks associated with chemical processes and operates in compliance with all local, state, and federal environmental regulations. Beyond regulatory compliance, Hydrite employs innovative practices to promote environmental protection, preservation, and stewardship.”

Hydrite's Environmental Sustainability Policy



Our Goals

Sustainable growth, environmental stewardship, employee health and well-being, and community involvement have always been part of our core values to succeed as a sustainable company. In order to better understand our environmental baseline and continue our community support, we are narrowing our focus to three key areas.

Water

We are committed to conducting water management assessments at all our facilities. This assessment will help identify resource conservation initiatives to reduce water usage and operating costs throughout the company. In addition to the focus on internal water functions, Hydrite engages with its customers on their water usage and assists in reducing consumption at their facilities.



Climate Impact

We are committed to conducting energy management assessments at all our facilities. This assessment will help identify resource conservation initiatives to reduce energy consumption, improve energy efficiency, and evaluate renewable energy alternatives to reduce operating costs and climate change impacts throughout the supply chain.



Community

We are committed to our local communities and encourage employee engagement in philanthropic and volunteer opportunities through our *Hydrite Helps* program. Hydrite is excited to continue its *Hydrite Helps* volunteer program through efforts in several areas, including children's needs and development, education, the environment, and local needs.



Commitment to Transparency

To transparently communicate sustainability performance to our customers, we regularly participate in various reporting platforms such as *CDP* and *EcoVadis*. These platforms, focusing on many environmental and social aspects, allows us to benchmark our efforts as well as provide guidance on how to maximize our sustainability performance. Additionally, Hydrite commits to transparency by publishing annual sustainability reports, like this one, to share our goals and efforts as an organization.



Continuous Improvement Leaders

Our Strategic Business Improvement team and Continuous Improvement leaders throughout the organization are focused on coordinating local projects and sustainability efforts.

These leaders are the conduit for creating a sustainable culture of continuous improvement across Hydrite's business units and facilities by providing direction and serving as a resource for area teams as they continue working towards our sustainability goals.

OUR PEOPLE

Since our beginning in 1929, we have remained a family-run, privately held company and our employees have remained our greatest asset. We are committed to empowering our employees and believe performance and talent management play a strategic role in attracting and retaining high-performing individuals. Our company values cross-functional collaboration and utilizing teamwork to connect all levels of our organization. Integrating a servant leadership approach into the framework of our business model puts the needs of employees first and helps in their development and performance. We aim to be an organization where all employees feel safe, valued, and supported while working towards our shared vision of sustainable growth.



Safety

We promote a culture of employee awareness, engagement, and empowerment to drive responsibility and accountability for the safety and well-being of employees and visitors to our facilities. Our “must-do, can’t fail” philosophies are incorporated into standard work for consistency across the organization.

VISION: SAFETY IS AN INTEGRAL PART OF THE CULTURE AT HYDRITE. IT IS OUR COLLECTIVE RESPONSIBILITY TO ENSURE A SAFE WORKPLACE FOR EVERYONE AT HYDRITE.

MISSION: ACHIEVE ZERO INCIDENTS THROUGH THE CONTINUOUS IMPROVEMENT OF OUR OPERATIONAL PRACTICES AND PROCESSES WHERE SAFETY REMAINS OUR TOP PRIORITY.

VALUES:

- I AM RESPONSIBLE FOR MY OWN SAFETY.
- I AM RESPONSIBLE FOR MY TEAMMATE’S SAFETY.
- I WILL ALWAYS WEAR MY PPE.
- I WILL ALWAYS FOLLOW MY SOP.
- I ACCEPT FEEDBACK ABOUT MY SAFETY BEHAVIOR.
- I ACCEPT THE RESPONSIBILITY TO TAKE ACTION WHEN CONFRONTED WITH AN UNSAFE SITUATION.
- I WILL ACTIVELY SEEK AND PARTICIPATE IN SAFETY IMPROVEMENTS.

Highlights

- The Safe Behaviors Visits Program is the cornerstone of our safety program. The visits are collaborative, non-punitive, supportive of employee ownership and responsibility, and is an extremely effective means of communication. The visits and subsequent discussions also identify many small projects that have a direct impact on our day-to-day safe operations. *We are proud to have completed over 3,500 Safe Behavior Visits in 2020.*



- Our Management of Change process focuses on safe operation and the elimination of chemical exposure. With our goal being the elimination of hazards, we follow the hierarchy of controls: remove hazards, evaluate substitutions, implement engineering and administrative controls, and identify the correct uses of Personal Protective Equipment (PPE).
- Hydrite has a robust PPE assessment program that ensures our PPE selection is effective for the tasks performed.
- The initiation of programs consistent with leader standard work further emphasizes our health and safety culture. Specifically, we have built safety “must-do, can’t fail” philosophies in activities such as the Safe Behavior Visits, shift change meetings, and facility walk-throughs.
- Since 2018, Hydrite has developed over 500 job aids. The creation of the job aids was a collaborative effort between operations and the Environmental, Health and Safety team. The job-aids are crucial training and coaching tools that we use to drive awareness, engagement, and empowerment. This availability of job aids coupled with our standard operating procedures, job hazard analysis, PPE certifications and Management of Change has positioned Hydrite to deliver our Safety Vision. With these processes being developed by those directly involved, they have built cross functional credibility and have become sustainable tools.

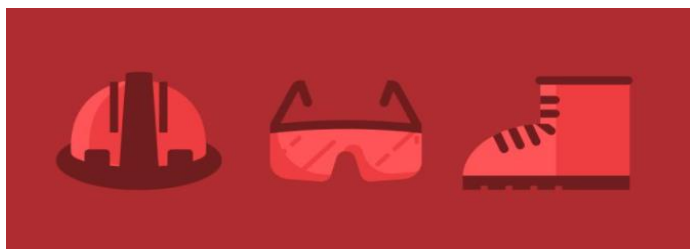


Safety Performance in 2020

Total Incident Rate (TIR): Number of injuries and illnesses per 100 workers, based on 200,000 working hours

Lost Workday Incident Rate (LWIR): Number of injuries with lost or restricted workdays per 100 workers, based on 200,000 working hours

Year	TIR	LWIR
2020	1.04	0.73



How Hydrite Addressed COVID-19

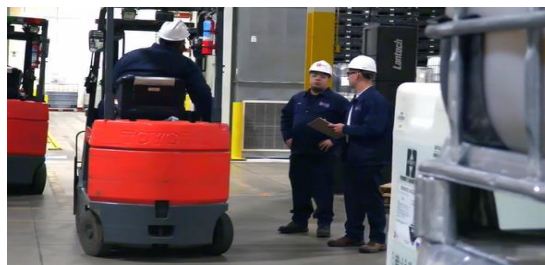
A part of the nation’s critical infrastructure network, we were challenged and have focused on protecting our employees and families from the potential exposure to the virus while continuing to support our key customers and other essential operations. As expected, every single business function and facility stepped up to the challenge and made impactful contributions to mitigate or eliminate exposure risk. Some of the steps taken include physical improvements such as plexiglass barriers, touchless fixtures, and temperature screening. Administrative improvements such as virtual meetings and job evaluations for spacing, telemedicine, expanded PTO, and short-term disability were also implemented. With additional time off and flexibility, we assist our employees in managing through these trying times.

Employee Training

Our mission is to empower all employees to be accountable and responsible for their efforts and attitudes to guarantee 100% customer satisfaction. We support the continuous development of all employees and encourage them to pursue educational and training opportunities that enhance their skills, knowledge, and abilities in their current job and prepare them for future opportunities throughout the company. All employees are provided access to both our online interactive training system as well as internal and external classroom training. It is also important that our visitors and contracted partners receive applicable training for their on-site activities.

Hydrite U

Hydrite U (University) provides education for our employees on many topics critical for their success. Hydrite U includes leadership training, continuous improvement tools, management training, job aids, emergency response training, sales training, technical topics, and OSHA required training. It is also recognized that significant learning can come from on-the-job experiences and is incorporated into our training plans. For an even more robust and specialized learning experience, we offer tuition reimbursement for trainings that occur outside our organization.



Hydrite's Intern and Co-Op Program

We have historically offered a variety of internship and co-op opportunities for college students to work alongside leaders and gain hands-on experience and learning. To offer a more impactful program, we have added various virtual experiences to connect students with other students and leaders in different functional business areas. In 2020, our program consisted of sixteen students from nine universities in seven different disciplines. The students presented a report of their major projects, findings, and overall experience to over 35 managers and leaders during the first ever two-day forum. We were lucky to have such amazing talent with us and are excited to see what their bright futures hold!



Health

We are committed to provide resources and encouragement for each employee to lead longer, healthier, and happier lives. We provide programs and activities that help support our employees and their family’s health and well-being, including health assessments, wellness challenges, coaching and counseling.

<p>1,185 Wellness activities completed</p> <p>410 Preventative visits conducted (including virtual options)</p> <p>341 Company sponsored challenges completed</p> <p>250 Incentives paid</p> <p>29 Employees quit tobacco (on top of 82 from the past 3 years!)</p>	<ul style="list-style-type: none"> • The Wellness Program provides opportunities for employees and their families to engage in a variety of activities like wellness coaching or challenges to improve well-being in nutrition, finances, home safety, exercise, gratitude, and restful sleep. Employees can earn incentives through participation. • The Employee Assistance Program offers services in confidential counseling and emotional well-being services as well as fitness and nutrition coaching and support.
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Maintain, Don't Gain

Our 9th annual “Maintain, Don’t Gain” employee wellness challenge was a success! We are proud to report that 96% of participants maintained their weight over the holidays, and because of the great results, a \$1,000 donation was made to the Max McGee National Research Center for Juvenile Diabetes.



Our 2020 Retirees by the Numbers

Thank you to our retirees for their years of service and commitment. We are proud of what we have accomplished because of them!

Our 2020 retirees had a combined 555 years of service with an average tenure of 26 years!

RC Honkamp Scholarships

Each year, the Richard C. Honkamp Scholarship Program grants three scholarship awards of \$2,500 to children of Hydrite employees to be used in their undergraduate studies.

Benefits

Hydrite offers competitive, integrative benefits to employees including:

- Medical
- Dental
- Vision
- Paid Time Off
- Flexible Spending
- Life/Disability Insurance

- Wellness – Family Coaching, Challenges, and Incentives
- Tuition Reimbursement
- Referral Bonus
- Adoption Assistance
- Legal Services Insurance
- Employee Assistance Program
- Financial Planning

Hydrite offers competitive retirement plans including:

- 401(k) Match
- Pension
- Profit-Sharing

ENVIRONMENTAL RESPONSIBILITY

We believe our success stems from our core values: Integrity, Innovation, Quality, People, and Responsible Growth. These values are integrated into our culture and directly support our goals to reduce our impact on the environmental footprint and promote product stewardship. From procurement of raw materials to the manufacturing and distribution of our products, we have implemented conservation and waste reduction initiatives. To aid in sustainability efforts across the supply chain, we have assisted in our customers and supplier's sustainability initiatives through the solutions and services we offer. We understand at Hydrite our role in environmental stewardship and are proud to support environmental sustainability efforts.

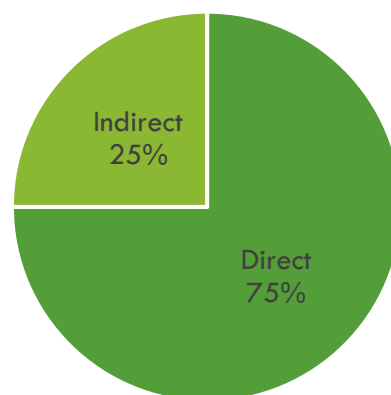
Energy and Emissions

We monitor energy consumption throughout our manufacturing and distribution operations. We use this data strategically in our decision-making process to identify key initiatives to reduce energy consumption and greenhouse gas emissions and to improve manufacturing equipment and vehicle efficiencies. We recognize the responsibility we have as a member of the global community to be energy responsible.

Highlights

- We have completed lighting upgrades at most of our facilities that included the replacement of metal halide and high-pressure sodium fixtures with LED lights equipped with motion sensors. LED lighting has a longer life than older lighting technologies, provides the same amount of light while using less fixtures, and has relatively low maintenance. The lighting projects provide long-term energy reduction and cost savings. For example, the light replacement project at our facility in Cottage Grove, WI resulted in an annual savings of 71 MWh.
- Also at our Cottage Grove, WI facility, we have reduced our consumption and disposal of activated carbon for emissions control by expanding our use of thermal oxidation. This improves control efficiency allowing for a reduction in overall air emissions and waste generation.

2020 Energy Breakdown



Transportation

To support our business, we use many modes of transportation including cars, trucks, rail, and barges. All raw materials and finished products at Hydrite are transported safely and securely, keeping fuel consumption in mind when selecting routes. Our advanced truck fleet transports and distributes chemicals nationwide.



Rail transportation is one of the most efficient modes of transporting chemicals and is used extensively at our manufacturing facilities. Not only does it reduce greenhouse gas emissions per pound of chemical shipped but also has economic advantages. Our engineering and operations teams worked to expand the railyard at our Oshkosh, WI facility that has provided a reduction in the number of shipments received by tanker trucks.

Shipment by vessel or barge is also a fuel-efficient means of transportation. Our La Crosse, WI facility provides a unique transportation opportunity as it is located on the Mississippi River. It has the capability to receive raw materials on this natural “roadway”.

Virtual Reality Goggles

The Commercial Technology and RITE (Real-time, Innovative, Technical, Expertise) teams have been utilizing an innovative tool based on augmented reality to support remote field work. COVID-19 provided unique opportunities to find solutions to travel. To keep both employees and our customers safe, we have been utilizing virtual reality goggles to avoid travel to facilities. This technology allows us to see the facility as if we were there and provides swift communication. Travel avoidance also translates into decreased fuel usage.

Renewable Energy

We regularly evaluate renewable energy alternatives at our facilities and are currently investigating the economic and technical feasibility of solar and wind options at our facilities in Visalia, CA and Lubbock, TX, respectively.

In addition, our facilities in Waterloo, IA, La Crosse, WI, and Visalia, CA are located within electricity grids that prioritize renewable energy. Waterloo and La Crosse are serviced by a grid that derives 25.1% of its electricity from wind and Visalia is serviced by a grid that derives 15.3% of its electricity from solar.



Energy Performance in 2020

	Energy (terajoule)	CO2e (metric tons)
Direct	503	28,529
Indirect	168	28,475

Water

We strive to minimize the amount of water consumed and to ensure the quality of wastewater discharges from our manufacturing operations. Water conservation and management is critical to achieve positive environmental impacts.

Highlights

- At our Oshkosh, WI facility, we installed a reverse osmosis system to improve boiler operation and efficiency which results in a reduction of fuel consumption by inhibiting fouling and reducing water discharge from the boiler.
- At our Waterloo, IA facility, scrubber wastewater effluent was re-routed to recirculated back to the process, which eliminated wastewater discharge and provided a reduction in chemical treatment.
- At our Terre Haute, IN facility, the installation of a new process cooler enabled us to reduce our annual water consumption and discharge by over 2MM gallons.



Water Performance in 2020

	Megaliters
Withdrawal	1,455
Discharge	1,176
Consumption	279

Brine Reclamation

Reducing the environment impact of chloride discharge from municipal water treatment facilities is a team effort. In 2020, we completed a brine reclamation project in partnership with the City of Oshkosh, which achieved a 53% reduction in salt discharge to the municipal sewer system.

Brine reclamation is a more efficient way of using salt and water since it takes advantage of multiple passes through a water softener system before discharging to the water utility for treatment. This method gets the most “softening” potential out of the salt.



Customer Impact

Hydrite's Food Group provides a variety of training and technical assistance. The group is made up of a unique team of problem solvers whose purpose is to help customers in any variety of continuous improvement areas. They accomplish our customers' goals through entrepreneurial application of their broad chemical and applications expertise. Several ways our food team can help impact customers are through chemical use reduction with better dispensing control or finding new chemistry to contribute to waste minimization. In 2020, we partnered with customers to accomplish annual savings well in excess of \$1MM, including these water usage reduction initiatives:

- Enzyme Reductions, 3.1MM gallons of water per year
- Single Phase Cleaning, 34.2MM gallons of water per year
- Improve RMC efficiency, 1.4MM gallons of water per year
- 2-step Wash Protocol, 14.2MM gallons of water per year
- Salvage Recovery Tank, 5.6MM gallons of water per year



The RITE Team

The nation-wide RITE (Real-time, Innovative, Technical, Expert) Team is a group of Hydrite technical representatives dedicated to providing advanced technical support and introducing innovative solutions to help address critical issues in the food industry such as reducing our customers' water, energy, and chemical usage, increasing quality, and improving overall safety.

OUR FOOD TEAM'S GUIDING VALUES:

- WE WILL OPERATE ALL ASPECTS OF OUR BUSINESS WITH ETHICS AND INTEGRITY.
- WE WILL WORK WITH CUSTOMERS WHO SHARE OUR COMMITMENT TO QUALITY, VALUE, SERVICE, AND PROFITABLE BUSINESS GROWTH.
- WE RECOGNIZE AND STRIVE TO MAKE OUR CUSTOMERS' BUSINESS MORE SUCCESSFUL, ENABLING LONG-TERM RELATIONSHIPS AND SHARED PROSPERITY.
- WE RECOGNIZE THAT ALL EMPLOYEES, INCLUDING OUR CUSTOMERS' AND HYDRITES', ARE VITAL TO SUCCESS.
- WE WILL MAINTAIN A WORK ENVIRONMENT THAT CHALLENGES, ENCOURAGES, MOTIVATES, RESPECTS, AND VALUES ALL EMPLOYEES AND PROMOTES INTERDEPENDENCE.
- WE WILL BE RECOGNIZED IN THE FOOD INDUSTRY AS THE LEADING CHEMICAL SUPPLIER IN TERMS OF VALUE, QUALITY, INNOVATION, AND SERVICE.

Material Generation & Waste Handling



We continually work to reduce the amount of waste we generate. Our policies and efforts on internal waste minimization ensures responsible manufacturing while minimizing the impact on the environment. Our team of regulatory professionals, operations management staff, and engineers relentlessly focus on process efficiency and waste minimization improvements to:

- Prevent the creation of waste
- Recycle or reuse the waste in an environmentally sound way
- Treat the waste in an environmentally sound way
- Dispose of the waste in an environmentally sound way

Materials & Waste Performance in 2020

	Metric Tons
Products Shipped	942,978
Raw Materials Consumed	935,155
Non-Hazardous Waste Generated	8,186
Hazardous Waste Generated	9,173

Customer Impact

We are committed to product stewardship and providing our customers with products, solutions, and services that meet their sustainable goals. Products that we have developed can be used at lower concentrations than traditional cleaning products, require less rinsing, and work at lower operating temperatures. We have formulated products that include the added benefits of low sodium concentrations, low electrical conductivity, and reduced solids content. Some of our sustainable products and programs are:

- Single phase cleaners
- Caustic additives
- Built caustic products
- Non-phosphate programs
- Ethanol production solutions
- Low-sodium and low-chloride cleaning programs
- Low-temperature cleaning
- Membrane cleaning



We have developed proprietary equipment to control and record chemical usage and perform diagnostic testing during cleaning cycles to ensure the mechanics of the system are operating correctly. To assist with waste minimization efforts, products can be supplied in bulk or in returnable containers.



We are proud to offer our customers waste management services. Managing waste and recycling programs requires extensive knowledge and experience in the storage, treatment, and transportation of various waste streams. Our team of professional's tailor these programs to our customers' specific needs and requirements and manages waste in full compliance with all federal, state, and local environmental regulations. We operate six 10-day transfer facilities conveniently located throughout the Midwest in addition to a Treatment, Storage, and Disposal Facility (TSDF) in Cottage Grove, WI that provides reclamation and recycling services. With these facilities and coordination with third party TSDF affiliates, we can offer a wide range of treatment and disposal options including recycling, energy recovery, fuel blending, incineration, wastewater treatment, and lab packing. ***In 2020, we recycled 11,365 metric tons of waste into useable materials!*** We specialize in helping our customers find the most cost-effective and environmentally friendly solutions for managing all their waste aligning with their sustainability and waste minimization goals.



Recycled Packaging

We are committed to the reuse and recycling of packaging materials whenever possible. For many years, we have been providing services to pick up empty containers from customers for reuse or reconditioning. This has a direct impact by reducing the need for additional plastic containers and landfill disposal. In 2020, more than half of the containers used within Hydrite were reused or reconditioned. Hydrite remains ambitious in expanding the recyclable and reconditioned container program in the future.

Container Usage Performance in 2020	
Reconditioned Containers	42%
New Containers	45%
Reused Containers	13%

OUR COMMUNITY

We recognize the importance of actively supporting the communities in which we operate. Our corporate culture encourages community involvement both as a company and as individuals. We recognize that community outreach at Hydrite is not just a privilege, but a responsibility.

Our *Hydrite Helps* program invests in local non-profit organizations that impact communities in and around our ten locations. Each Hydrite facility has created a *Hydrite Helps* team, which directs monetary donations and provides opportunities for employees to volunteer their time and service. This is one of the many ways Hydrite and its employees can work together to strengthen our communities. The four areas of focus in this program are:

- Children's Needs & Development
- Education
- Environment
- Local needs

Over the past year, we have been able to support various organizations through the donation of our Hydri-San 3C hand sanitizer and other cleaning products. *Through the hard work of our manufacturing team, we were able to bring our hand sanitizer to market in an expedient fashion and donate over \$86,000 of product to over 80 different communities, first responder groups, and non-profit organizations throughout the nation.* We are proud of our incredible team that worked tirelessly and with purpose to manufacture and distribute our products throughout the COVID-19 pandemic.



In 2020, each one of our Hydrite facilities supported their local communities and organizations through various events. Each facility is proud to highlight one of their many events:

Cottage Grove

Volunteers at the Cottage Grove branch collected seeds for Dane County Parks with the **Clean Lakes Alliance**. The seeds are used to improve land around our watershed, including in the future platinum prairie at Pheasant Branch Conservancy.

Corporate

In October, a group from Corporate provided a remodeled bedroom for a teen who is fighting cancer through **Special Spaces**.

La Crosse

In August, employees at La Crosse's facility collected school supplies and other donations for the **La Crosse Area School District**.

Lubbock

Our Lubbock *Hydrite Helps* team put together gift bags for staff at Lubbock's **Covenant Hospital** who are working on the front lines of the COVID-19 fight.

Milwaukee

Milwaukee employees partnered with **Versiti** to host a successful blood drive to address blood shortages and help local patients.

Oshkosh

The Oshkosh branch contributed to the **Oshkosh Area United Way COVID Relief Fund**.

Terre Haute

Several employees participated in a virtual **More Than Pink Walk** to raise money and awareness for breast cancer research.

University Park

Our *Hydrite Helps* program recently contributed to the **Monee Township**, near our University Park, IL location, to support community events and services.

Waterloo

Our Waterloo branch recently contributed a donation to the **Iowa DNR**, which went towards the installation of a handicap accessible fishing dock in George Wythe State Park, an urban wildlife sanctuary.

Visalia

Visalia employees packed over 12,000 pounds of food for the local food bank through the **Visalia Emergency Aid Council**.

“Our corporate culture encourages and facilitates community outreach both as a company and as individuals. We recognize that community outreach is a Hydrite responsibility as well as a privilege. We are proud of our employees for helping us reach out to others but realize as an organization that we have the opportunity and ability to accomplish even more. After all, when it comes to the needs of others, we are all in this together.”

John Honkamp, Chairman of the Board

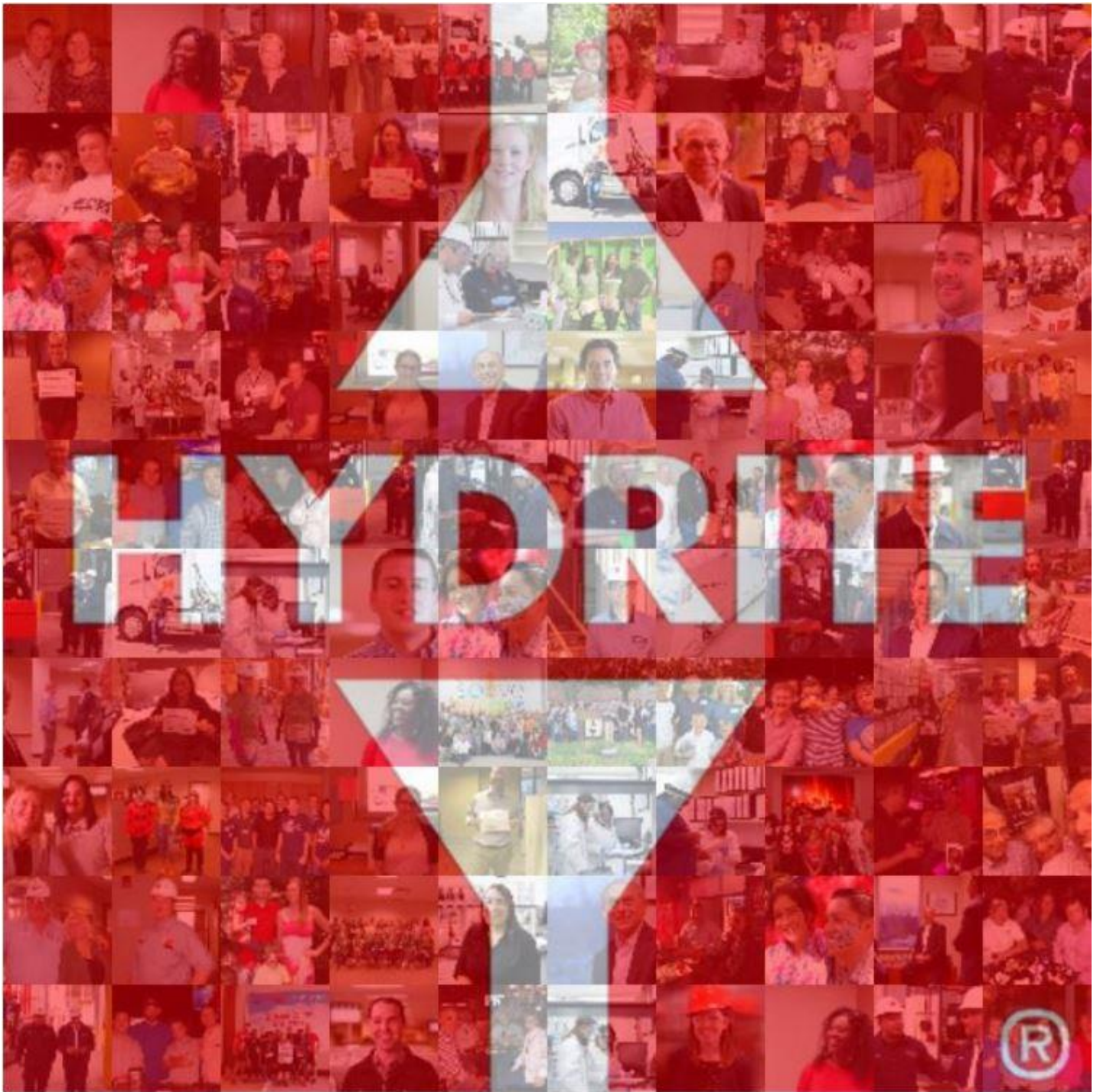
ABOUT THIS REPORT

This is Hydrite's first annual sustainability report. This report reflects information and data from our manufacturing, distribution, and transportation operations. This information was collected across all ten U.S. facilities and multiple warehouses. The information and data reflect all 2020 operations.

Page 14. Direct CO₂e emissions was updated as of July 27, 2020 to reflect an update based on an improvement in the calculation methodology.

Page 15. Fuel efficiency calculations and assumptions are supported by: <https://www.aar.org/wp-content/uploads/2020/06/AAR-Sustainability-Fact-Sheet.pdf> and <http://nationalwaterwaysfoundation.org/documents/Final%20TTI%20Report%202001-2014%20Approved.pdf>.

Page 15. Energy consumption reflects operations from manufacturing, distribution, and transportation. Other activities are not included. Direct energy consists of natural gas, diesel, gasoline, and propane and indirect energy consists of electricity. All is organized by facility. CO₂e is calculated with guidance from the [EPA's Emission Factors for Greenhouse Gas Inventories](#).



Hydrite Chemical Co.
300 N. Patrick Blvd.
Brookfield, WI 53045
262-792-1450

Visit hydrite.com for more!